

Functional Area WBS #: 2 – Financial
Operations

Completed by: R.W. Benedict (ANL-W) D.L. Kahl (INEEL)

FUNCTIONAL AREA SUMMARY FORM

(ANL-W & INEEL Laboratory Consolidation to INL)

Consider facilities, hardware, processes, procedures, personnel, training, database, etc. in your functional area.

1) **ACTIVITIES** needed to transition

What activities should be conducted to support to transition to a single contractor? When is the most opportune time to conduct each activity (pre-transition, transition, incoming contractor)?

Activities to transition functional area to one contractor	3/1 – 11/15 Pre-transition	11/15 – 1/30 Transition	1/31/05 Incoming Contractor
1. Payroll Processes			
1.1 Develop and process Successor/Predecessor Agreements		X	X
1.2 Transfer employee demographics and pay history		X	X
1.3 Set-up time & attendance reporting capability		X	X
1.4 Modify and/or integrate pay schedules, ACH/direct deposits, deductions, etc.		X	X
2. Benefits			
2.1 Integrate investment & retirement data systems and data flow		X	X
2.2 Integrate welfare benefit plans (medical, dental, etc.)		X	X
3. Indirect Rate Structure and Charging Practices			
3.1 Integrate indirect baseline and charging practices			X
3.2 Develop new indirect rates and reporting structure			X
3.3 Assess any programmatic impacts due to any rate changes.		X	X
4. Integrate Financial Reporting		X	X
4.1 Transfer financial data, including property, inventory and other assets and liabilities		X	X
4.2 Integrate direct funding into one Approved Funding Program (AFP)		X	X

5. Integrate accounting structure and systems			X
6. Align financial operations structures			X
7. Provide information required to support Tri-Party Agreement (such as FIS and tax reporting for previous contractors that will occur following transition, etc.).		X	
8. Standardize funding processes and funds management			X

2) GAP(S)

In your functional area, identify gap(s) that may inhibit a smooth transition. Please list below. Additionally, utilize the Gap/Risk Description form to define each gap/issue.

- Financial Operations Organizations – The INEEL financial operations functions are performed locally while much of the same functions for ANL-W are performed at ANL-E.
- Financial Operations Systems – Including time reporting, payroll processing, and basic accounting
- Indirect rate structures and indirect budgeting

3) Other

Are there issues or concerns outside of your functional area that may inhibit the consolidation? If so, please list. Additionally, utilize the Gap/Risk Description form to define each gap/issue.

- Many of the Financial Operations functions are highly dependent upon data and support from Information Management (Integration WBS 11), Human Resources (Integration WBS 1), and Supply Chain (Integration WBS 3).

4) Have you initiated any actions outside of this review to facilitate the integration? If so, please describe.

- None

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GAP/RISK DESCRIPTION FORM

Please complete one form per gap.

- a) Describe the gap(s) that affects the integration of ANL-W and INEEL.
Financial Operations Organizations – The INEEL financial operations functions are performed locally while much of the same functions for ANL-W are performed at ANL-E.
- b) Rank the risk, on a scale of 1 to 5, associated with the above gap, and describe the impact(s)?
(Risk 1 = minimal consequence on January 31, 2005; Risk 5 = operational barrier to laboratory on January 31, 2005)
Risk: 3
Description: Because much of the financial operations functions for ANL-W are performed and managed at ANL-E, Financial Operations should be properly organized and staffed to adequately support the INL.
- c) What steps should be taken to address the gap(s) and when (pre-transition, transition, incoming contractor)? Please indicate the owner of the action (ANL-W, INEEL, or both where applicable).

	3/1 – 11/15 Pre-transition	11/15 – 1/30 Transition	1/31/05 Incoming Contractor
1. Standardize and centralize financial operations functions			INL

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GAP/RISK DESCRIPTION FORM

Please complete one form per gap.

- a) Describe the gap(s) that affects the integration of ANL-W and INEEL.
Financial Operations Systems – Including time reporting, payroll processing, and basic accounting
- b) Rank the risk, on a scale of 1 to 5, associated with the above gap, and describe the impact(s)?
(Risk 1 = minimal consequence on January 31, 2005; Risk 5 = operational barrier to laboratory on January 31, 2005)
Risk: 4
Description: This gap must be resolved to ensure proper pay and benefits and the internal and external reporting of financial results.
- c) What steps should be taken to address the gap(s) and when (pre-transition, transition, incoming contractor)? Please indicate the owner of the action (ANL-W, INEEL, or both where applicable).

	3/1 – 11/15 Pre-transition	11/15 – 1/30 Transition	1/31/05 Incoming Contractor
1. Merge and standardize financial operations systems, particularly those systems that impact the processing of a timely payroll, continuity of employee benefits, and financial reporting to internal projects and outside customers, including the DOE.		New Contractor	INL

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GAP/RISK DESCRIPTION FORM

Please complete one form per gap.

- a) Describe the gap(s) that affects the integration of ANL-W and INEEL.
Indirect rate structures and indirect budgeting
- b) Rank the risk, on a scale of 1 to 5, associated with the above gap, and describe the impact(s)?
(Risk 1 = minimal consequence on January 31, 2005; Risk 5 = operational barrier to laboratory on January 31, 2005)
Risk: 3
Description: This gap must be resolved to ensure the appropriate funding of company indirect functions.
- c) What steps should be taken to address the gap(s) and when (pre-transition, transition, incoming contractor)? Please indicate the owner of the action (ANL-W, INEEL, or both where applicable).

	3/1 – 11/15 Pre-transition	11/15 – 1/30 Transition	1/31/05 Incoming Contractor
1. Develop indirect rates, structure, and budgeting processes			INL